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SUBJECT: Japan Announces Midterm Greenhouse Gas Target

REF: (A) TOKYO 1218; (B) TOKYO 604

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Sensitive but Unclassified. Please handle accordingly.

1. (SBU) Summary: Following months of internal GOJ discussion and input from various study groups, Prime Minister Aso announced June 10 that Japan will aim to cut its greenhouse gas (GHG) emissions 15 percent from 2005 levels by 2020. Looked at from a 1990 base year, the figures would equal an eight percent cut. Senior Japanese officials note the PM's announced target, unlike those of EU member countries, for example, does not include potential CO2 reduction through carbon sinks nor offsets through the purchase of carbon credits from other countries. Briefing Major Economies Forum (MEF) country ambassadors/senior embassy officials June 11, MOFA DG for Global Issues Shinsuke Sugiyama stressed that Japan hopes the PM's announcement will help spur progress at the upcoming G8 and MEF meetings as well as at the December UNFCCC COP 15. Japanese press has generally criticized the figure as too low, but business leaders have been more positive, even if some call it a "tough target" to reach. While the PM noted all sectors of Japanese society will need to contribute if the country is to realize this goal, he stated that the annual costs of meeting the 15 percent cut would be JPY 70,000 (about USD 700) per Japanese household. End Summary.

Target of 15 Percent Cut in Domestic Emissions by 2020

2. (SBU) Prime Minister Aso made his long-anticipated announcement of Japan's midterm GHG reduction targets June 10. His goal of a 15 percent cut from 2005 levels by 2020 is equivalent to an eight percent reduction from 1990 levels. However, the Japanese target counts only direct domestic emissions cuts (what the GOJ refers to as "clear water") and leaves out reductions from carbon sinks, e.g., through forestation and other land-use policies, or from carbon credits purchased from other countries through UNFCCC programs like the Clean Development Mechanism (CDM). If these reductions are factored in, the PM asserted Japan's actual GHG reduction would be considerably larger and would exceed those of the U.S. or EU. To illustrate, the PM said Japan had pledged 5.4 percent reductions through reforestation and purchases of carbon credits as part of its Kyoto Protocol obligations. Ambassador Sugiyama made clear at a June 11 briefing to MEF country ambassadors/senior embassy officials that this 5.4 percent figure was meant to be representative only and the final contribution of land use and carbon credits to Japan's

reductions would be negotiated in the UNFCCC in the coming months. Another related point Sugiyama and other senior MOFA officials stress is that developing, as well as developed countries, will need to agree to binding GHG reduction targets in the new post 2012 climate change agreement.

13. (U) The midterm target falls in the middle of the six options proposed by the PM's Council on Global Warming, an expert group made up of representatives from industry, academia, and local government (ref B). The GOJ's scenario for achieving a 15 percent reduction assumes the introduction of advanced energy-saving technology, but only in terms of buying/installing new equipment or to replace old stock (ref A).

14. (SBU) The specific policy measures cited for reaching this target include a 20-fold increase from 2005 levels in solar energy generation, tax breaks for alternative energy and efficient vehicles, a subsidy system for replacing existing equipment with more energy efficient models, and existing energy-saving initiatives such as "Cool Biz" -- a national program to save on cooling costs by eschewing jackets and ties in offices during the summer. At his June 11 briefing, Ambassador Sugiyama responded to a diplomat's question of whether the Diet plans a bill to make achieving the target obligatory, by saying it is a matter for parliamentarians to decide, but that members of the ruling Liberal Democratic Party are considering possible legislation.

Annual Cost Estimated at \$700 per Household

15. (U) The Prime Minister noted all aspects of Japanese society -- including both businesses and consumers -- will have to change their behavior and make some sacrifices to realize the target. The GOJ estimates programs to meet its midterm goals will cost 70,000 yen

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(USD 700) per household annually. Most of this cost would be in the form of higher energy prices and purchases of more energy efficient appliances. According to an opinion poll by the Cabinet Secretariat (ref A), however, only 2.2 percent of the public would accept an annual burden of 60,000 yen (USD 600) or more per household for measures against climate change.

Reactions: Environment Ministry

16. (SBU) An Environment Ministry working-level official told emboff that even a 15 percent reduction from 2005 levels would be challenging, given Japan's difficulties in meeting its Kyoto target. METI Minister Toshihiro Nikai did not issue an official statement after the PM announcement and a METI contact declined to comment to Post. METI had been quoted previously in the Japanese press supporting an 11 percent cut.

Reactions: Industry

17. (SBU) Nippon Keidanren Chairman Fujio Mitarai, whose organization had urged the least stringent emissions reduction target and had been on record seeking a four percent rise in Japanese emissions over 1990 levels, told the press it is a "tough target." Keizai Doyukai (Japan Association of Corporate Executives) Vice Chair of the Global Environmental Issues Committee Yukio Yoshimura told emboff his organization supports the 15 percent reduction target. (Note: Unlike Keidanren, Doyukai executives predominantly represent the financial industry and other non-heavy industry sectors. End note.) Yoshimura said the 15 percent target was a compromise between heavy industry and those who feel that such cuts are not enough.

Reactions: Press

18. (U) Almost all Japanese newspapers criticized the midterm target. The June 11 Nikkei ran an editorial entitled "Is this a midterm target that can lead international negotiations?" The

editorial argues the PM tried to make the figure look higher simply by changing the base year from 1990 to 2005. The Asahi also ran an editorial the same day pointing out that the PM's figure was less than the International Panel on Climate Change (IPCC)'s recommendations. The Tokyo Shimbun and the Chunichi Shimbun asked if the figure would be "ambitious" enough. Meanwhile, the conservative Yomiuri suggested the 15 percent target would be challenging for a country like Japan that has already taken strong steps to boost energy efficiency.

Reactions: NGO's

19. (SBU) A coalition of eight Japanese environmental NGO's published statements opposing the PM's target. According to World Wildlife Federation (WWF) Japan member Naoyuki Yamagishi, the NGO was disappointed by the PM's announcement. He argued the figure was too small to convince developing countries to take action in the post 2012 framework.

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